THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) and (b) Due to bumper production of mustardseed and prices ruling below the Minimum Support Price (MSP), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), as central agency had to undertake the procurement of mustard seeds under the Price Support Scheme (PSS). Out of a total quantity of 20.93 lakh MT of mustardseed procured under the PSS, 14.03 lakh MTs of mustardseed was procured in Rajasthan alone. Due to acute shortage of storage space and financial constraints, it was decided to dispose off a part of the mustardseed procured through processing. NAFED invited tenders for processing of the mustardseed. Meanwhile, Anti-Corruption Bureau (ACB), Government of Rajasthan registered an FIR impleading the then Branch Manager, NAFED, Jaipur and others. As per the information received from NAFED, 5 persons including one officer of NAFED were arrested.

(c) No amount of money either of Government or NAFED was involved in the scam.

(d) No other such incidence has come to the notice of the Government, so far.

(e) Immediately after receiving the report of registering the case by ACB, Government of Rajasthan NAFED was directed to streamline the procedure of disposal of mustardseed procured under PSS in a transparent manner. Further, the NAFED was directed to cancel the tenders in question.

Growth of food processing sector

2107. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether food processing sector is expected to grow at 10 per cent per year by 2010;

(b) if so, whether this will attract a minimum investment of Rs. 2000 crores;

(c) whether according to the study by Associated Chambers of Commerce and industry (ASSOCHAM) the markets in developed countries will provide additional export opportunities for agricultural and

agro-based processed products for countries such as India, due to reduction in import duties, removal of non-tariff barriers and reduction in subsidies, to domestic agriculture; and

(d) if so, the steps Government propose to take to improve the food processing industry in the country?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) As per the report of M/s Rabo India Finance Private Limited, processed food industry in India should aim to grow at about 10% per annum between 2005-2015. The investment required in building the processing capacity, infrastructure and market development is estimated to be Rs. 99,700 crore for this period.

(c) Yes, Sir.

(d) Government has formulated and implemented several Plan Schemes to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, support for R&D, human resource development besides other promotional measures to encourage development of food processing industries. Recently, in order to give boost to growth of FPI sector the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Excise duty of 16% on dairy machinery has been fully waived for promotion of dairy processing industries. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%. A National Horticulture Mission has been launched w.e.f. 1st April, 2005 with an objective to boost the horticulture sector. In the Budget of 2005-06 excise duty of Rs. 1.00 per kg on refined edible oil and Rs. 1.25 per kg on vanaspati was abolished. Customs duty on refrigerated vans was reduced from 20% to 10%.

Assistance to Punjab for wheat processing plants

2108. SHRIMATI SUKHBUNS KAUR: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that in Punjab, the wheat processing industry